

House Bill 7 Reclamation and Development Grant Program
St. Mary & Milk River Basins Water Management Initiatives 2010

Testimony of Dave Peterson, Havre Public Works Director
Before House Joint Appropriations Subcommittee on Long Range Planning
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Opening Remarks

Good morning. Chairman McNutt, members of the Committee. For the record, my name is Dave Peterson. I am Director of Public Works for the City of Havre and a member of the St. Mary Rehabilitation Working Group. I am here this morning to urge the committee to approve funding for the grant titled St. Mary & Milk River Basins Water Management Initiatives 2010. This grant provides vital funding to pursue rehabilitation of critical irrigation infrastructure along the Hi-Line, improve water supply management and accessibility, and protect our share of transborder water resources under the 1909 Boundary Waters Treaty with Canada.

Background

Water shortages are a significant and chronic problem in the in the Milk River basin. The U.S. Bureau of Reclamation has documented that the current system of canals and storage reservoirs supply irrigators with only one-third to one-half of the water needed for full crop production in a normal year. It is likely that current imbalances between supply and demand will be intensified by the following factors:

- Effects of increasing climate variability on snow pack in the headwaters and resulting changes in the amount and timing of runoff;
- Aging, unreliable infrastructure. The St. Mary's Canal is over 100 yr old;
- Loss of storage capacity in Fresno and Frenchman Reservoirs;
- Lack of infrastructure for the U.S. to take its full entitlement of water from the St. Mary River under the 1909 Boundary Waters Treaty;
- The need to provide water for fish and wildlife, and to protect endangered species;
- Irrigation and storage development on the Milk River in southern Alberta; and
- Development of Tribal water rights on the Fort Belknap and Blackfeet Reservations.

Objectives

This project is a continuation of ongoing efforts by the State of Montana and St. Mary's Rehabilitation Working Group to secure water supplies for irrigation and municipal use in the St. Mary and Milk River Basins. Several complementary elements will be utilized to enable the State of Montana and basin stakeholders to address significant threats to the water supply while at the same time enabling the State and stakeholders to evaluate options for proactively

improving the management and utilization of water in the future.

Funding in this grant application will be used to carry out the following objectives:

1. Secure federal appropriations to complete the rehabilitation of the St. Mary Canal.

Securing federal funding to rehabilitate the St. Mary Canal is fundamental to maintaining the economic vitality of the Hi-Line region. The St. Mary Canal Diversion diverts water from the St. Mary River and transports it 29 miles across the Blackfeet Reservation to the North Fork of the Milk River. The Milk River then flows for 200 miles through southern Alberta before returning back to MT. The water is then stored in Fresno Reservoir and regulated at Fresno Dam to serve Reclamation's Milk River Project. The system is critical to MT for the following three reasons.

- 1) In an average year, the system supplies approximately 70% to 90% of the water diverted from the Milk River for agricultural and municipal uses in Milk River basin. The imported water directly supports approximately 110,000 acres of irrigated land in the basin. The municipalities of Havre Chinook and Harlem, two rural water systems and the Bowdoin National Wildlife Refuge also rely on the facilities for all or part of their water supply,
- 2) The system is critical to the joint sharing and management of the waters in the St. Mary and Milk rivers between the United States and Canada under the 1909 Boundary Waters Treaty. Without the system the United States will forfeit its share of water from the St. Mary River to Canada, and
- 3) The facilities are integral to settlement of reserved water rights with Montana's Blackfeet Tribe and Ft. Belknap Indian Community.

In 2007 Congress authorized \$153 million to rehabilitate the system, but the funds have never been appropriated. To secure federal funds we have to educate elected officials and representatives from the U.S. Bureau of Reclamation and Office of Management and Budget about the importance of rehabilitating the St. Mary Canal before a catastrophic failure occurs. This task requires preparation of informational materials and travel to Washington, D.C. as well as to national meetings and meetings within the basins. DNRC and members of the Working Group are actively working with all three offices of MT's Congressional Delegation to secure federal funds for the project.

2. Coordinate with other jurisdictions to improve water management in the St. Mary and Milk River basins. Multiple jurisdictions have an interest in water in the St. Mary and Milk River Basins. These include: the United States, the Provinces of Alberta and

Saskatchewan, State of Montana, Blackfeet Tribe, and the Gros Ventre and Assiniboine Tribes of the Fort Belknap Indian Reservation. The State is currently leading a Montana Team in a joint initiative with the province of Alberta for the purpose of exploring and evaluating options for access to the shared water of the St. Mary and Milk Rivers. The Montana Team includes representatives of water users in the Milk River Basin, the State of Montana, the Blackfeet Tribe and the Tribes of the Ft Belknap Reservation. DNRC staff provide technical support. Funds will be used to mitigate costs for representatives of Montana to participate in the Initiative.

3. **Complete a hydrologic modeling study of the St. Mary and Milk River Basins to model future operations of the combined river systems to identify options for meeting increasing water delivery requirements in a changing climate and with an aging infrastructure.** Funding will be used to contract with a qualified consulting firm to assist DNRC with the development of the very complex hydrological model.
4. **Evaluate the feasibility of enlarging the State-owned Frenchman Dam project on Frenchman Creek.** Frenchman Dam has safety issues that need to be addressed. Water from Frenchman River/Creek is apportioned between Canada and Montana. The study will determine the amount of water that is available and preliminary feasibility of an improved storage option at Frenchman. Water stored in Frenchman could be used for current contract holders, to meet State commitments in the Water Right Compact with the Tribes of the Fort Belknap Reservation, and for other water users in the Milk River Basin.
5. **Provide state financial and technical assistance to the St. Mary Working Group's efforts to rehabilitate and modernize the St. Mary Canal.** Funds will be used to provide fiscal agent and administrative support services to the St. Mary Working Group. Funds will be also be used to support the efforts of the Working Group to conduct public outreach regarding the possible establishment of a Regional Resource Authority pursuant to Title 7, Chapter 10, Montana Code Annotated (MCA). A Regional Resource Authority is an entity that could raise and manage funds to pay for the nonfederal portion of the cost to rehabilitate the St. Mary Canal.

Public Benefit

The State of Montana and stakeholders in the St. Mary and Milk River basins have been working together since 2004 to address water supplies issues in these basins. The overlap of

international, federal, State, Tribal and local jurisdictions make water supply issues in the St. Mary and Milk River basins the most complex in the state. The task has been difficult at times, but we keep at it because there is no alternative. Failure of the St. Mary Canal jeopardizes the viability of the Hi-Line. Funding this project will contribute to the following public benefits.

- 1) Provide a secure source of water for over 110,000 acres of irrigated land,
- 2) Provide a secure source of municipal water for the communities of Havre, Chinook, Harlem, and Ft Belknap and two rural water systems.
- 3) Protect the United States' share of water and support international cooperation in managing of the St. Mary and Milk rivers under the 1909 Boundary Waters Treaty.
- 4) Contribute to cooperation in the implementation of the Water Rights Compact with the Blackfeet Tribe.
- 5) Uphold provisions of the Water Rights Compact with the Tribes of the Ft. Belknap Indian Reservation.
- 6) Evaluation of safety deficiencies at Frenchman Dam identified in the preliminary feasibility study and exploration of options to address these deficiencies to improve public health, safety, and welfare on this State-owned project. The study will also explore increased storage options.
- 7) Development of a hydrological model will provide a tool that managers can use to evaluate how various management scenarios and/or modifications to or replacements of existing facilities can be used to maintain streamflows, improve water quality, and improve water management in the basins.

Closing

The issues we are trying to address are challenging and complex. The key issue to address is rehabilitation of the St. Mary Canal and it is critical that Montana not lose ground in its efforts to secure federal appropriations. The additional tasks in this grant are to provide an opportunity for the State to improve access to and management of water in the St. Mary and Milk River basins before, during and after rehabilitation of the St. Mary. Canal

In closing I would like to ask the Committee to approve funding for the St. Mary & Milk River Basins Water Management Initiatives grant. Chairman McNutt, members of the Committee, thank you for this opportunity to testify.